

## **BILL ANALYSIS**

Senate Research Center

S.B. 11  
By: Schwertner et al.  
Health & Human Services  
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Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 11 addresses the statewide foster care capacity crisis, improves accountability throughout the Child Protective Services (CPS) system, ensures all children and youth have timely access to appropriate and necessary supports and services to improve child safety, permanency and well-being, and enhances foster care redesign, which has produced positive outcomes for children and families. In addition, S.B. 11 strengthens and streamlines standards of abuse and neglect investigations regardless of setting, strategically focuses prevention and early intervention resources to the highest needs areas of the state, and encourages more efficient use of data to prevent recurrence of abuse and neglect.

Specifically, S.B. 11:

Ensures timely and appropriate services for children and youth in foster care by holding the managed care organization who oversees medical care for foster children, child placing agencies, and general residential operations entities accountable through monetary means to ensure all foster care children and youth receive a comprehensive Texas Health Steps assessment within their contractual requirements.

Addresses capacity and the provision of quality, individualized services and supports to children in foster care by renovating the current foster care redesign model, and giving greater authority and accountability to local communities to positively affect foster care children in their community.

- Requires the Department of Family and Protective Services (DFPS) alongside the Health and Human Services Commission (HHSC) to develop a formal, comprehensive readiness review process prior to expanding Foster Care Redesign to new catchment areas. The review should include an assessment of the Single Source Continuum Contractor's (SSCC's) readiness to: provide case management services; provide evidence-based, evidence-informed, or promising practice services to children and families; and ensure sufficient foster care capacity within the catchment area.
- Increases accountability throughout CPS for providers to deliver quality outcomes for children in the CPS system by implementing a Family Based Safety Services (FBSS) pilot in two catchment areas of the state, requiring a nonprofit to assume responsibility of providing case management and services to children and families, and report on progress and outcomes including recidivism.
- Requires DFPS to develop quality metrics for FBSS and post-adoption services, and requires the department to hold general residential operations and child-placing agencies monetarily accountable to performance outcomes.
- Creates a quality assurance division within DFPS to oversee contract compliance and performance/outcomes of SSCCs and other contractors that provide full management to populations of children/families. DFPS would be required to contract with an outside vendor to develop standards to continuously monitor contractor/vendor adherence to the terms of their contract.

- Strengthens standards for investigations of child abuse/neglect in foster care/child care settings and moves these investigations to the CPS investigations division.
- Improves Prevention and Early Intervention (PEI) services by requiring DFPS to utilize risk data and geographic risk assessments to geographically PEI services and dollars and expands partnerships with institutions of higher education to evaluate the effectiveness of PEI.
- Utilizes data to better protect children by requiring DFPS to review its records retention policy for IMPACT to ensure caseworkers have necessary information from past CPS history.

S.B. 11 amends current law relating to the provision of child protective services and other health and human services by certain state agencies or under contract with a state agency, including foster care, child protective, relative and kinship caregiver support, prevention and early intervention health care, and adoption services.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 18 (Section 264.160, Family Code) of this bill.

Rulemaking authority is expressly granted to the governor of Texas in SECTION 19 (Section 264.2042, Family Code) of this bill.

Rulemaking authority is expressly granted to the Department of Family and Protective Services in SECTION 26 (Sections 40.039 and 40.042, Human Resources Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 71.004, Family Code, to redefine "family violence."

SECTION 2. Amends Section 107.002(b-1), Family Code, to require a guardian ad litem appointed for a child in a proceeding under Chapter 262 (Procedures in Suit by Governmental Entity to Protect Health and Safety of Child) or 263 (Review of Placement of Children Under Care of Department of Family and Protective Services) to, in addition to the duties required by Subsection (b) (relating to a guardian ad litem's required actions after being appointed for the child), for a child at least 16 years of age, ascertain whether the child has received certain documents.

SECTION 3. Amends Section 107.003(b), Family Code, as follows:

(b) Requires a guardian ad litem appointed for a child in a proceeding under Chapter 262 or 263, in addition to the duties required by Subsection (a) (relating to duties of an attorney ad litem appointed to represent a child or an amicus attorney appointed to assist the court), to:

(1) and (2) makes no changes to these subdivisions:

(3) for a child at least 16 years of age:

(A) creates this paragraph from existing text and makes nonsubstantive changes; and

(B) ascertain whether the child has received certain documents.

SECTION 4. Amends Section 162.005, Family Code, by adding Subsection (c), to require the Department of Family and Protective Services (DFPS) to ensure that each licensed child-placing agency, single source continuum contractor (SSCC), or other person placing a child for adoption receives a copy of any portion of the report prepared by DFPS.

SECTION 5. Amends Section 162.0062, Family Code, by adding Subsections (a-1) and (c-1), as follows:

(a-1) Entitles the prospective adoptive parent, if a child is placed with a prospective adoptive parent prior to adoption, to examine any record or other information relating to the child's health history, including the portion of the report prepared under Section 162.005 (Preparation of Health, Social, Educational, and Genetic History Report) for the child that relates to the child's health. Requires DFPS, the licensed child-placing agency, SSCC, or other person placing a child for adoption to inform the prospective adoptive parent of the prospective adoptive parent's right to examine the records and other information relating to the child's health history. Requires DFPS, the licensed child-placing agency, SSCC, or other person placing a child for adoption to edit the records and information to protect the identity of the biological parents and any other person whose identity is confidential.

(c-1) Requires DFPS, the licensed child-placing agency, or SSCC, if the prospective adoptive parents of a child indicate they want to proceed with the adoption under Subsection (c) (relating to the authority of DFPS to allow prospective parents to examine certain records), to provide the prospective adoptive parents with access to research regarding underlying health issues and other conditions of trauma that could impact child development and permanency.

SECTION 6. Amends Section 162.007, Family Code, by amending Subsection (a) and adding Subsection (g), as follows:

(a) Requires that the health history of the child include information about:

(1) makes no changes to this subdivision;

(2) the child's birth, neonatal, and other medical, psychological, psychiatric, and dental history information, including to the extent known by DFPS whether the child's birth mother consumed alcohol during pregnancy and whether the child has been diagnosed with fetal alcohol spectrum disorder;

(3) and (4) makes no changes to these subdivisions.

(g) Defines "fetal alcohol spectrum disorder."

SECTION 7. Amends Section 261.001, Family Code, by amending Subdivisions (1), (4), and (5) and adding Subdivision (3), as follows:

(1) Redefines "abuse."

(3) Defines "exploitation."

(4) Redefines "neglect."

(5) Redefines "person responsible for a child's care, custody, or welfare."

SECTION 8. Amends Subchapter A, Chapter 261, Family Code, by adding Section 261.004, as follows:

Sec. 261.004. TRACKING OF RECURRENCE OF CHILD ABUSE OR NEGLECT REPORTS. (a) Requires DFPS to collect and monitor data regarding repeated reports of abuse or neglect involving the same child, including reports of abuse or neglect of the child made while the child resided in other households and reports of abuse or neglect of the child by different alleged perpetrators made while the child resided in the same household or by the same alleged perpetrator.

(b) Requires DFPS, in monitoring reports of abuse or neglect under Subsection (a), to group together separate reports involving different children residing in the same household.

(c) Requires DFPS to consider any report collected under Subsection (a) involving any child or adult who is a part of a child's household when making case priority determinations or when conducting service or safety planning for the child or the child's family.

SECTION 9. Amends Sections 261.301(b) and (c), Family Code, as follows:

(b) Requires a state agency to investigate a report that alleges abuse, neglect, or exploitation occurred in a facility operated, licensed, certified, or registered by that agency as provided by Subchapter E (Investigations of Abuse, Neglect, or Exploitation in Certain Facilities). Makes a nonsubstantive change.

(c) Provides that DFPS is not required to investigate a report that alleges child abuse, neglect, or exploitation by a person other than a person responsible for a child's care, custody, or welfare. Makes a nonsubstantive change.

SECTION 10. Amends Section 261.401(b), Family Code, as follows:

(b) Requires a state agency that operates, licenses, certifies, registers, or lists a facility in which children are located or provides oversight of a program that serves children, except as provided by Section 261.404 of this code and Section 531.02013(1)(D), Government Code, to make a prompt, thorough investigation of a report that a child has been or may be abused, neglected, or exploited in the facility or program.

SECTION 11. Amends Sections 261.405(a) and (c), Family Code, as follows:

(a) Defines, notwithstanding Section 261.001 (Definitions), "abuse," "exploitation," and "neglect" and makes nonsubstantive changes.

(c) Requires the Texas Juvenile Justice Department (TJJD) to make a prompt, thorough investigation, rather than conduct an investigation, as provided by this chapter (Investigation of Report of Child Abuse or Neglect) if TJJD receives a report of alleged abuse, neglect, or exploitation in any juvenile program or facility. Requires that the primary purpose of the investigation be the protection of the child.

SECTION 12. Amends Section 263.401, Family Code, as follows:

Sec. 263.401. DISMISSAL AFTER ONE YEAR; NEW TRIALS; EXTENSION. (a) Provides that, unless the court has commenced the trial on the merits or granted an extension under Subsection (b) or (b-1), on the first Monday after the first anniversary of the date the court rendered a temporary order appointing DFPS as temporary managing conservator, the court's jurisdiction over the suit affecting the parent-child relationship filed by DFPS that requests termination of the parent-child relationship or requests that DFPS be named conservator of the child is terminated and the suit is automatically dismissed without a court order, rather than requires the court to dismiss the certain suit.

(b) Requires the court, if the court retains the suit on the court's docket, to render an order in which the court:

(1) schedules the new date on which the suit will be automatically dismissed if the trial on the merits has not commenced, which date is prohibited from being later than the 180th day after the time described by Subsection (a); and

(2) and (3) makes no changes to these subdivisions.

(b-1) Makes a conforming change.

(c) Provides that if the court grants an extension under Subsection (b) or (b-1) but does not commence the trial on the merits before the dismissal date, the court's jurisdiction over the suit is terminated and the suit is automatically dismissed without a court order, rather than requires the court to dismiss the suit.

SECTION 13. Amends Section 263.402, Family Code, as follows:

Sec. 263.402. New heading: **LIMIT ON EXTENSION**. Creates this section from existing text under Subsection (a). Deletes existing text providing that a party to a suit under this chapter who fails to make a timely motion to dismiss the suit under this subchapter waives the right to object to the court's failure to dismiss the suit. Deletes existing text providing that a motion to dismiss under this subsection is timely if the motion is made before the trial on the merits commences.

SECTION 14. Amends Section 264.018, Family Code, by adding Subsections (d-1) and (d-2), as follows:

(d-1) Requires DFPS, except as provided by Subsection (d-2), as soon as possible but not later than 24 hours after a change in placement of a child in DFPS conservatorship, to give notice of the placement change to the managed care organization (MCO) that contracts with the Texas Health and Human Services Commission (HHSC) to provide health care services to the child under the STAR Health program. Requires the MCO to give notice of the placement change to the primary care physician listed in the child's health passport before the end of the second business day after the day the MCO receives the notification from DFPS.

(d-2) Defines "catchment area." Requires the SSCC that has contracted with HHSC to provide foster care services in a catchment area in which community-based care has been implemented, as soon as possible but not later than 24 hours after a change in placement of a child in DFPS conservatorship, to give notice of the placement change to the MCO that contracts with HHSC to provide health care services to the child under the STAR Health program. Requires the MCO to give notice of the placement change to the child's primary care physician in accordance with Subsection (d-1).

SECTION 15. (a) Amends Subchapter B, Chapter 264, Family Code, by adding Section 264.1076, as follows:

Sec. 264.1076. **MEDICAL EXAMINATION REQUIRED**. (a) Provides that this section applies only to a child who has been taken into DFPS conservatorship and remains in DFPS conservatorship for more than three business days.

(b) Requires DFPS to ensure that each child described by Subsection (a) receives an initial medical examination from a physician or other authorized health care provider not later than the end of the third business day after the date the child is removed from the child's home, if the child is removed as the result of sexual abuse, physical abuse, or an obvious physical injury to the child or has a chronic medical condition, a medically complex condition, or a diagnosed mental illness.

(c) Requires DFPS, notwithstanding Subsection (b), to ensure that any child who enters the conservatorship of DFPS receives any necessary emergency medical care as soon as possible.

(d) Prohibits a physician or other health care provider conducting an examination under Subsection (b) from administering a vaccination as part of the examination without parental consent, except that a physician or other health care provider is authorized to administer a tetanus vaccination to a child in a commercially available preparation if the physician or other

health care provider determines that an emergency circumstance requires the administration of the vaccination. Provides that the prohibition on the administration of a vaccination under this subsection does not apply after DFPS has been named managing conservator of the child after a hearing conducted under Subchapter C (Adversary Hearing), Chapter 262 (Procedures in Suit by Governmental Entity to Protect Health and Safety of Child).

(e) Requires DFPS, whenever possible, to schedule the medical examination for a child before the last business day of the appropriate time frame provided under Subsection (b).

(f) Requires DFPS to collaborate with HHSC and selected physicians and other health care providers authorized under state law to conduct medical examinations to develop guidelines for the medical examination conducted under this section, including guidelines on the components to be included in the examination. Requires that the guidelines developed under this subsection provide assistance and guidance regarding certain matters.

(g) Provides that, notwithstanding any other law, the guidelines developed under Subsection (f) do not create a standard of care for a physician or other health care provider authorized under state law to conduct medical examinations, and prohibits a physician or other health care provider from being subject to criminal, civil, or administrative penalty or civil liability for failure to adhere to the guidelines.

(h) Requires DFPS to make a good faith effort to contact a child's primary care physician to ensure continuity of care for the child regarding medication prescribed to the child and the treatment of any chronic medical condition.

(i) Requires DFPS, not later than December 31, 2019, to submit a report to the standing committees of the house of representatives and the senate with primary jurisdiction over child protective services and foster care evaluating the statewide implementation of the medical examination required by this section. Requires that the report include the level of compliance with the requirements of this section in each region of the state.

(b) Makes application of Section 264.1076, Family Code, as added by this section, prospective.

(c) Requires DFPS to implement Section 264.1076, Family Code, as added by this section, not later than December 31, 2018.

SECTION 16. (a) Amends Subchapter B, Chapter 264, Family Code, by adding Section 264.1252, as follows:

Sec. 264.1252. FOSTER PARENT RECRUITMENT STUDY. (a) Defines "young adult caregiver."

(b) Requires DFPS to conduct a study on the feasibility of developing a program to recruit and provide training for young adult caregivers.

(c) Requires DFPS to complete the study not later than December 31, 2018. Requires DPFS, in evaluating the feasibility of the program, to consider methods to recruit young adult caregivers and the potential impact that the program will have on the foster children participating in the program, including whether the program may result in certain results.

(d) Requires DFPS to report the results of the study to the governor, lieutenant governor, speaker of the house of representatives, and members of the legislature as soon as possible after the study is completed.

(e) Provides that this section expires September 1, 2019.

(b) Requires DFPS, as soon as practicable after the effective date of this Act, to begin the study required by Section 264.1252, Family Code, as added by this section.

SECTION 17. (a) Amends Subchapter B, Chapter 264, Family Code, by adding Sections 264.1261 and 264.128, as follows:

Sec. 264.1261. FOSTER CARE CAPACITY NEEDS PLAN. (a) Defines "community-based care."

(b) Requires appropriate DFPS management personnel from a child protective services region in which community-based care has not been implemented, in collaboration with foster care providers, faith-based entities, and child advocates in that region, to use data collected by DFPS on foster care capacity needs and availability of each type of foster care and kinship placement in the region to create a plan to address the substitute care capacity needs in the region. Requires that the plan identify both short-term and long-term goals and strategies for addressing those capacity needs.

(c) Requires that a foster care capacity needs plan be submitted to and approved by the commissioner of DFPS (commissioner) and updated annually.

(d) Requires DFPS to publish each initial foster care capacity needs plan and each annual update to a plan on DFPS's Internet website.

Sec. 264.128. SINGLE CHILD PLAN OF SERVICE INITIATIVE. (a) Defines "community-based care."

(b) Requires DFPS, in regions of the state where community-based care has not been implemented, to collaborate with child-placing agencies to implement the single child plan of service model developed under the single child plan of service initiative and ensure that a single child plan of service is developed for each child in foster care in those regions.

(b) Requires DFPS, notwithstanding Section 264.128(b), Family Code, as added by this section, to develop and implement a single child plan of service for each child in foster care in a region of the state described by that section not later than September 1, 2017.

SECTION 18. (a) Amends Chapter 264, Family Code, by adding Subchapter B-1, as follows:

#### SUBCHAPTER B-1. COMMUNITY-BASED CARE

Sec. 264.151. LEGISLATIVE INTENT. (a) and (b) Sets forth legislative intent.

Sec. 264.152. DEFINITIONS. Defines "alternative caregiver," "case management," "catchment area," and "community-based care," except as otherwise provided in this subchapter.

Sec. 264.154. QUALIFICATIONS OF SINGLE SOURCE CONTINUUM CONTRACTOR; SELECTION. (a) Requires an entity, to enter into a contract with HHSC or DFPS to serve as an SSCC to provide foster care service delivery, to be a nonprofit entity that has an organizational mission focused on child welfare or a governmental entity.

(b) Requires DFPS, in selecting an SSCC, to consider whether a prospective contractor for a catchment area has demonstrated experience in providing services to children and families in the catchment area.

Sec. 264.155. **REQUIRED CONTRACT PROVISIONS.** Requires that a contract with an SSCC to provide community-based care services in a catchment area include certain provisions.

Sec. 264.156. **READINESS REVIEW PROCESS FOR COMMUNITY-BASED CARE CONTRACTOR.** (a) Requires DFPS to develop a formal review process to assess the ability of an SSCC to satisfy the responsibilities and administrative requirements of delivering foster care services and services for relative and kinship caregivers, including the SSCC's ability to provide certain services.

(b) Requires the SSCC, as part of the readiness review process, to prepare a plan detailing the methods by which the SSCC will avoid or eliminate conflicts of interest. Prohibits DFPS from transferring services to the SSCC until DFPS has determined the plan is adequate.

(c) Requires DFPS and HHSC to develop the review process under Subsection (a) before DFPS may expand community-based care outside of the initial catchment areas where community-based care has been implemented.

(d) Authorizes DFPS, if after conducting the review process DFPS determines that an SSCC is able to adequately deliver certain services in advance of the timeline included in the contract with the SSCC, to adjust the timeline to allow for an earlier transition of service delivery to the SSCC.

Sec. 264.157. **EXPANSION OF COMMUNITY-BASED CARE.** (a) Requires DFPS, not later than December 31, 2019, to identify not more than eight catchment areas in the state that are best suited to implement community-based care and, following the implementation of community based care services in those catchment areas, evaluate the implementation process and SSCC performance in each catchment area.

(b) Requires DFPS, notwithstanding the process for the expansion of community-based care described in Subsection (a), and in accordance with the community-based care implementation plan developed under Section 264.153, beginning September 1, 2017, to begin accepting applications from entities to provide community-based care services in a designated catchment area.

(c) Authorizes DFPS, in expanding community-based care, to change the geographic boundaries of catchment areas as necessary to align with specific communities.

(d) Requires DFPS to ensure the continuity of services for children and families during the transition period to community-based care in a catchment area.

Sec. 264.158. **TRANSFER OF CASE MANAGEMENT SERVICES TO SINGLE SOURCE CONTINUUM CONTRACTOR.** (a) Requires DFPS, in each initial catchment area where community-based care has been implemented or a contract with an SSCC has been executed before September 1, 2017, to transfer certain services to the SSCC providing foster care services in that area.

(b) Requires HHSC to include a provision in a contract with an SSCC to provide foster care services and services for relative and kinship caregivers in a catchment area to which community-based care is expanded after September 1, 2017, that requires the transfer to the SSCC of the provision of certain services.



(c) Requires DFPS to collaborate with an SSCC to establish an initial case transfer planning team to address any necessary data transfer, establish file transfer procedures, and notify relevant persons regarding the transfer of services to the SSCC.

Sec. 264.159. DATA ACCESS AND STANDARDS GOVERNANCE COUNCIL. (a) Requires DFPS to create a data access and standards governance council (council) to develop protocols for the electronic transfer of data from SSCCs to DFPS to allow the SSCCs to perform case management functions.

(b) Requires the council to develop protocols for the access, management, and security of case data that is electronically shared by an SSCC with DFPS.

Sec. 264.160. LIABILITY INSURANCE REQUIREMENTS. Requires the SSCC and any subcontractor of the SSCC providing community-based care services to maintain minimum insurance coverage, as required in the contract with DFPS, to minimize the risk of insolvency and protect against damages. Authorizes the executive commissioner of HHSC (executive commissioner) to adopt rules to implement this section.

Sec. 264.161. STATUTORY DUTIES ASSUMED BY CONTRACTOR. Requires the SSCC providing foster care services and services for relative and kinship caregivers in a catchment area, either directly or through subcontractors, except as provided by Section 264.163, to assume the statutory duties of DFPS in connection with the delivery of foster care services and services for relative and kinship caregivers in that catchment area.

Sec. 264.162. REVIEW OF CONTRACTOR PERFORMANCE. Requires DFPS to develop a formal review process to evaluate an SSCC's implementation of placement services and case management services in a catchment area.

Sec. 264.163. CONTINUING DUTIES OF DEPARTMENT. Requires that legal representation of DFPS in an action under this code be provided in accordance with Section 264.009 (Legal Representation of Department), in a catchment area in which an SSCC is providing family-based safety services or community-based care services.

Sec. 264.164. CONFIDENTIALITY. (a) Provides that the records of an SSCC relating to the provision of community-based care services in a catchment area are subject to Chapter 552 (Public Information), Government Code, in the same manner as the records of DFPS are subject to that chapter.

(b) Provides that Subchapter C (Confidentiality and Privileged Communication), Chapter 261, regarding the confidentiality of certain case information, applies to the records of an SSCC in relation to the provision of services by the SSCC.

Sec. 264.165. NOTICE REQUIRED FOR EARLY TERMINATION OF CONTRACT. (a) Authorizes an SSCC to terminate a contract entered into under this subchapter by providing notice to DFPS and HHSC of the SSCC's intent to terminate the contract not later than the 60th day before the date of the termination.

(b) Authorizes DFPS to terminate a contract entered into with an SSCC under this subchapter by providing notice to the contractor of DFPS's intent to terminate the contract not later than the 30th day before the date of termination.

Sec. 264.166. CONTINGENCY PLAN IN EVENT OF EARLY CONTRACT TERMINATION. (a) Requires DFPS, in each catchment area in which community-based care is implemented, to create a contingency plan to ensure the continuity of services for children and families in the catchment area in the event of an early termination of the contract with the SSCC providing foster care services in that catchment area.

(b) Requires the SSCC providing foster care services in that catchment area, to support each contingency plan, subject to approval by DFPS, to develop a transfer

plan to ensure the continuity of services for children and families in the catchment area in the event of an early termination of the contract with DFPS. Requires the contractor to submit an updated transfer plan each year and six months before the end of the contract period, including any extension. Provides that DFPS is not limited or restricted in requiring additional information from the contractor or requiring the contractor to modify the transfer plan as necessary.

(c) Authorizes DFPS, if an SSCC gives notice to DFPS of an early contract termination, to enter into a contract with a different SSCC for the sole purpose of assuming the contract that is being terminated.

Sec. 264.167. ATTORNEY-CLIENT PRIVILEGE. Provides that an employee, agent, or representative of an SSCC is considered to be a client's representative of DFPS for purposes of the privilege under Rule 503, Texas Rules of Evidence, as that privilege applies to communications with a prosecuting attorney or other attorney representing DFPS, or the attorney's representatives, in a proceeding under this subtitle (Protection of the Child).

Sec. 264.168. REVIEW OF CONTRACTOR RECOMMENDATIONS BY DEPARTMENT. (a) Authorizes DFPS, notwithstanding any other provision of this subchapter governing the transfer of case management authority to an SSCC, to review, approve, or disapprove an SSCC's recommendation with respect to a child's permanency goal.

(b) Prohibits Subsection (a) from being construed to limit or restrict the authority of DFPS to include necessary oversight measures and review processes to maintain compliance with federal and state requirements in a contract with an SSCC.

(c) Requires DFPS to develop an internal dispute resolution process to decide disagreements between an SSCC and DFPS.

Sec. 264.169. PILOT PROGRAM FOR FAMILY-BASED SAFETY SERVICES. (a) Defines "case management services."

(b) Requires DFPS to develop and implement in two child protective services regions of the state a pilot program under which HHSC contracts with a single nonprofit entity that has an organizational mission focused on child welfare or a governmental entity in each region to provide family-based safety services and case management for children and families receiving family-based safety services. Requires that the contract include a transition plan for the provision of services that ensures the continuity of services for children and families in the selected regions.

(c) Requires that the contract with an entity include performance-based provisions that require the entity to achieve certain outcomes for families receiving services from the entity.

(d) Authorizes HHSC to only contract for implementation of the pilot program with entities that DFPS considers to have the capacity to provide, either directly or through subcontractors, an array of evidence-based, promising practice, or evidence-informed services and support programs to children and families in the selected child protective services regions.

(e) Requires the contracted entity to perform all statutory duties of DFPS in connection with the delivery of the specified services.

(f) Requires the contracted entity to give preference for employment to employees of DFPS whose position at DFPS is impacted by the implementation of

community-based care and who are considered by DFPS to be employees in good standing.

(g) Requires DFPS, not later than December 31, 2018, to report on the progress of the pilot program to the appropriate standing committees of the legislature having jurisdiction over child protective services and foster care matters. Requires that the report include an evaluation of each contracted entity's success in achieving the outcomes described in Subsection (c) and a recommendation as to whether the pilot program should be continued, expanded, or terminated.

(b) Transfers Section 264.126, Family Code, to Subchapter B-1, Chapter 264, Family Code, redesignates it as Section 264.153, Family Code, and amends it, as follows:

Sec. 264.153. New heading: COMMUNITY-BASED CARE IMPLEMENTATION PLAN. (a) Changes references to foster care redesign to community-based care. Deletes existing text requiring DFPS to develop and maintain a foster care redesign required by Chapter 598 (S.B. 218), Acts of the 82nd Legislature, Regular Session, 2011. Requires that the plan:

(1) makes conforming changes;

(2) include a timeline for implementing community-based care throughout Texas, any limitations related to the implementation, and progressive intervention and contingency plans to provide continuity of the delivery of foster care services and services for relative and kinship caregivers, rather than provide continuity of foster care service delivery, if a contract with an SSCC ends prematurely. Makes a conforming change;

(3) makes no changes to this subdivision;

(4) identify any training needs and include long-range and continuous plans to train caseworkers using the standardized curriculum created by the human trafficking prevention task force under Section 402.035(d)(6), Government Code, as that section existed on August 31, 2017;

(5) makes no changes to this subdivision;

(6) include DFPS's contract monitoring approach and a plan for evaluating the performance of each contractor and the community-based care system, rather than the foster care redesign system, as a whole that includes an independent evaluation of each contractor's processes and fiscal and qualitative outcomes; and

(7) makes conforming changes.

(b) Makes conforming changes.

(c) Makes application of Section 264.154, Family Code, as added by this section, prospective.

SECTION 19. (a) Amends Subchapter C, Chapter 264, Family Code, by adding Section 264.2042, as follows:

Sec. 264.2042. GRANTS FOR FAITH-BASED COMMUNITY COLLABORATIVE PROGRAMS. (a) Requires the governor, using available funds or private donations, to establish and administer an innovation grant program to award grants to support faith-based community programs that

collaborate with DFPS and HHSC to improve foster care and the placement of children in foster care.

(b) Provides that a faith-based community program is eligible for a grant under this section if the effectiveness of the program is supported by empirical evidence and the program has demonstrated the ability to build connections between faith-based, secular, and government stakeholders.

(c) Requires the regional director for DFPS in the region where a grant recipient program is located, or the regional director's designee, to serve as the liaison between DFPS and the program for collaborative purposes. Authorizes DFPS, for a program that operates in a larger region, to designate a liaison in each county where the program is operating. Prohibits DFPS or HHSC from directing or managing the operation of the program.

(d) Provides that the initial duration of a grant under this section is two years. Authorizes the governor to renew a grant awarded to a program under this section if funds are available and the governor determines that the program is successful.

(e) Prohibits the governor from awarding to a program grants under this section totaling more than \$300,000.

(f) Requires the governor to adopt rules to implement the grant program created under this section.

(b) Requires the governor, as soon as practicable after the effective date of this section, to adopt rules for the implementation and administration of the innovation grant program established under Section 264.2042, Family Code, as added by this Act, and begin to award grants under the program.

SECTION 20. Amends Subchapter A, Chapter 265, Family Code, by adding Sections 265.0041, as follows:

Sec. 265.0041. COLLABORATION WITH INSTITUTIONS OF HIGHER EDUCATION. (a) Requires HHSC, on behalf of DFPS and subject to the availability of funds, to enter into agreements with institutions of higher education (IHEs) to conduct efficacy reviews of any prevention and early intervention programs that have not previously been evaluated for effectiveness through a scientific research evaluation process.

(b) Requires DFPS, subject to the availability of funds, to collaborate with an IHE to create and track indicators of child well-being to determine the effectiveness of prevention and early intervention services.

SECTION 21. Amends Section 265.005(b), Family Code, to include the requirement that a strategic plan required under this section identify specific strategies to increase local capacity for the delivery of prevention and early intervention services through collaboration with communities and stakeholders.

SECTION 22. Amends Section 266.012, Family Code, by adding Subsection (c), as follows:

(c) Requires an SSCC under Subchapter B-1, Chapter 264, providing therapeutic foster care services to a child to ensure that the child receives a comprehensive assessment under this section at least once every 90 days.

SECTION 23. (a) Amends Section 531.02013, Government Code, to provide that certain functions are not subject to transfer under Sections 531.0201 (Phase One: Initial Transfers) and 531.02011 (Phase Two: Final Transfers to Commission), including DFPS functions relating to

investigations of alleged abuse, neglect, or exploitation occurring at a child-care facility, as that term is defined in Section 40.042, Human Resources Code.

(b) Prohibits the responsibility for conducting investigations of reports of abuse, neglect, or exploitation occurring at certain facilities defined in Section 40.042, Human Resources Code, as added by this Act, notwithstanding any provision of Subchapter A-1 (Consolidation of Health and Human Services System), Chapter 531 (Health and Human Services Commission), Government Code, or any other law, from being transferred to HHSC and provides that it remains the responsibility of DFPS.

(c) Requires the commissioner, as soon as possible after the effective date of this section, to transfer the responsibility for conducting investigations of reports of abuse, neglect, or exploitation occurring at certain facilities to the child protective services division of DFPS (division). Requires the commissioner to transfer appropriate investigators and staff as necessary to implement this section.

(d) Effective date of this section: upon passage or the 91st day after the last day of the legislative session.

SECTION 24. (a) Amends Subchapter A, Chapter 533, Government Code, by adding Section 533.0054, as follows:

Sec. 533.0054. HEALTH SCREENING REQUIREMENTS FOR ENROLLEE UNDER STAR HEALTH PROGRAM. (a) Requires an MCO that contracts with HHSC to provide health care services to recipients under the STAR Health program to ensure that enrollees receive certain services in accordance with the requirements specified in the contract between the MCO and HHSC.

(b) Requires HHSC to include a provision in a contract with an MCO to provide health care services to recipients under the STAR Health program specifying progressive monetary penalties for the MCO's failure to comply with Subsection (a).

(b) Requires HHSC, in a contract for the provision of health care services under the STAR Health program between HHSC and an MCO under Chapter 533 (Medicaid Managed Care Program), Government Code, that is entered into, renewed, or extended on or after the effective date of this section, to require that the MCO comply with Section 533.0054, Government Code, as added by this section.

(c) Prohibits HHSC from imposing a monetary penalty for noncompliance with a contract provision described by Section 533.0054(b), Government Code, as added by this section, until September 1, 2018.

(d) Requires HHSC, if necessary for implementation of Section 533.0054, Government Code, as added by this section, to request a waiver or authorization from a federal agency, and authorizes delay of implementation until such a waiver or authorization is granted.

SECTION 25. (a) Amends Subchapter A, Chapter 533, Government Code, by adding Section 533.0056, as follows:

Sec. 533.0056. STAR HEALTH PROGRAM: NOTIFICATION OF PLACEMENT CHANGE. Requires that a contract between an MCO and HHSC for the MCO to provide health care services to recipients under the STAR Health program require the MCO to ensure continuity of care for a child whose placement has changed by notifying each specialist treating the child of the placement change and coordinating the transition of care from the child's previous treating primary care physician and treating specialists to the child's new treating primary care physician and treating specialists, if any.

(b) Provides that the changes in law made by this section apply only to a contract for the provision of health care services under the STAR Health program between HHSC and an MCO under Chapter 533, Government Code, that is entered into, renewed, or extended on or after the effective date of this section.

(c) Requires HHSC, if necessary for implementation of Section 533.0056, Government Code, as added by this section, to request a waiver or authorization from a federal agency, and authorizes delay of implementation until such a waiver or authorization is granted.

SECTION 26. (a) Amends Subchapter B, Chapter 40, Human Resources Code, by adding Sections 40.039, 40.040, 40.041, and 40.042, as follows:

Sec. 40.039. REVIEW OF RECORDS RETENTION POLICY. Requires DFPS to periodically review DFPS's records retention policy with respect to case and intake records relating to DFPS functions. Requires DFPS to make changes to the policy consistent with the records retention schedule submitted under Section 441.185 (Record Retention Schedules), Government Code, that are necessary to improve case prioritization and the routing of cases to the appropriate division of DFPS. Authorizes DFPS to adopt rules necessary to implement this section.

Sec. 40.040. CASE MANAGEMENT VENDOR QUALITY OVERSIGHT AND ASSURANCE DIVISION; MONITORING OF CONTRACT ADHERENCE. (a) Defines "case management," "catchment area," and "community-based care."

(b) Requires DFPS to create within DFPS the case management services vendor quality oversight and assurance division (division). Requires the division to oversee and monitor certain matters.

(c) Requires HHSC to contract with an outside vendor with expertise in quality assurance to develop, in coordination with DFPS, a contract monitoring system and standards for the continuous monitoring of the adherence of a vendor providing foster care services under community-based care to the terms of the contract entered into by the vendor and HHSC. Requires that the standards include performance benchmarks relating to the provision of case management services in the catchment area where the vendor operates.

(d) Requires the division to collect and analyze data comparing outcomes on performance measures between catchment areas where community-based care has been implemented and regions where community-based care has not been implemented.

Sec. 40.041. OFFICE OF DATA ANALYTICS. Requires DFPS to create an office of data analytics (office). Requires the office to report to the deputy commissioner and authorizes the office to perform certain functions, as determined by DFPS.

Sec. 40.042. INVESTIGATIONS OF CHILD ABUSE, NEGLECT, AND EXPLOITATION. (a) Defines "child-care facility."

(b) Requires DFPS, for all investigations of child abuse, neglect, or exploitation conducted by the division, to adopt the definitions of abuse, neglect, and exploitation provided in Section 261.001, Family Code.

(c) Requires DFPS to establish standardized policies to be used during investigations.

(d) Requires the commissioner to establish units within the division to specialize in investigating allegations of child abuse, neglect, and exploitation occurring at a child-care facility.

(e) Authorizes DFPS to require that investigators who specialize in allegations of child abuse, neglect, and exploitation occurring at child-care facilities receive ongoing training on the minimum licensing standards for any facilities that are applicable to the investigator's specialization.

(f) Requires DFPS, after an investigation of abuse, neglect, or exploitation occurring at a child-care facility, to provide the state agency responsible for regulating the facility with access to any information relating to DFPS's investigation. Provides that providing access to confidential information under this subsection does not constitute a waiver of confidentiality.

(g) Authorizes DFPS to adopt rules to implement this section.

(b) Requires the commissioner, as soon as possible after the effective date of this Act, to establish the office required by Section 40.041, Human Resources Code, as added by this section. Requires the commissioner and the executive commissioner to transfer appropriate staff as necessary to conduct the office's duties.

(c) Requires DFPS to implement the standardized definitions and policies required under Sections 40.042(b) and (c), Human Resources Code, as added by this Act, not later than December 1, 2017.

SECTION 27. (a) Amends Section 40.058(f), Human Resources Code, as follows:

(f) Requires that a contract for residential child-care services provided by a general residential operation or by a child-placing agency include provisions that enable DFPS and HHSC to monitor the effectiveness of the services; specify performance outcomes, financial penalties for failing to meet any specified performance outcomes, and financial incentives for exceeding any specified performance outcomes; authorize DFPS or HHSC to terminate the contract or impose monetary sanctions for a violation of a provision of the contract that specifies performance criteria or for underperformance in meeting any specified performance outcomes; authorize DFPS or HHSC, an agent of DFPS or HHSC, and the state auditor to inspect all books, records, and files maintained by a contractor relating to the contract; and are necessary, as determined by DFPS or HHSC, to ensure accountability for the delivery of services and for the expenditure of public funds.

(b) Requires HHSC, in a contract for residential child-care services between HHSC and a general residential operation or child-placing agency that is entered into on or after the effective date of this section, including a renewal contract, to include the provisions required by Section 40.058(f), Human Resources Code, as amended by this section.

(c) Requires HHSC to seek to amend contracts for residential child-care services entered into with general residential operations or child-placing agencies before the effective date of this section to include the provisions required by Section 40.058(f), Human Resources Code, as amended by this section.

(d) Prohibits DFPS and HHSC from imposing a financial penalty against a general residential operation or child-placing agency under certain contract provisions until September 1, 2018.

SECTION 28. (a) Amends Subchapter C, Chapter 40, Human Resources Code, by adding Section 40.0581, as follows:

Sec. 40.0581. PERFORMANCE MEASURES FOR CERTAIN SERVICE PROVIDER CONTRACTS. (a) Requires HHSC, in collaboration with DFPS, to contract with a vendor or enter into an agreement with an IHE to develop, in coordination with DFPS, performance quality metrics for family-based safety services and post-adoption support services providers. Requires that the quality metrics be included in each contract with those providers.

(b) Requires each provider whose contract with HHSC to provide DFPS services includes the quality metrics developed under Subsection (a) to prepare and submit to DFPS a quarterly report regarding the provider's performance based on the quality metrics.

(c) Requires the commissioner to compile a summary of all reports prepared and submitted to DFPS by family-based safety services providers and distribute the summary to appropriate family-based safety services caseworkers and child protective services region management once each calendar quarter.

(d) Requires the commissioner to compile a summary of all reports prepared and submitted to DFPS by post-adoption support services providers and distribute the summary to appropriate conservatorship and adoption caseworkers and child protective services region management.

(e) Requires DFPS to make the summaries prepared under Subsections (c) and (d) available to families that are receiving family-based safety services and to adoptive families.

(f) Provides that this section does not apply to a provider that has entered into a contract with HHSC to provide family-based safety services under Section 264.169, Family Code.

(b) Requires that the quality metrics required by Section 40.0581, Human Resources Code, as added by this section, be developed not later than September 1, 2018, and included in certain contracts entered into by HHSC with certain service providers on or after January 1, 2019, except as provided by Section 40.0581(f), Human Resources Code, as added by this section.

SECTION 29. Amends Section 42.002(23), Human Resources Code to redefine "other maltreatment."

SECTION 30. (a) Amends Subchapter C, Chapter 42, Human Resources Code, by adding Section 42.0432, as follows:

Sec. 42.0432. HEALTH SCREENING REQUIREMENTS FOR CHILD PLACED WITH CHILD-PLACING AGENCY. (a) Requires a child-placing agency or general residential operation that contracts with DFPS to provide services to ensure that the children that are in the managing conservatorship of DFPS and are placed with the child-placing agency or general residential operation receive a complete early and periodic screening, diagnosis, and treatment checkup in accordance with the requirements specified in the contract between the child-placing agency or general residential operation and DFPS.

(b) Requires HHSC to include a provision in a contract with a child-placing agency or general residential operation specifying progressive monetary penalties for the child-placing agency's or general residential operation's failure to comply with Subsection (a).

(b) Requires a child-placing agency or general residential operation that contracts to provide services for DFPS to comply with the requirements of Section 42.0432, Human Resources Code, as added by this section, not later than August 31, 2018. Prohibits DFPS



and HHSC from imposing a monetary penalty for noncompliance with a contract provision until September 1, 2018.

SECTION 31. Amends Section 42.044(c-1), Human Resources Code, to change a reference to Section 261.401 (Agency Investigation), Family Code, to Section 261.001, Family Code.

SECTION 32. Repealer: Section 261.401(a) (relating to the definition of "abuse," "exploitation," and "neglect"), Family Code.

SECTION 33. Makes application of Section 263.401, Family Code, as amended by this Act, prospective.

SECTION 34. Effective date, except as otherwise provided by this Act: September 1, 2017.